

Transcript - September 27 AmeriCorps Rulemaking Session

AMERICORPS RULEMAKING SESSION

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David Eisner
CEO, Corporation for National and Community Service

Gretchen Van der Veer
Director, Office of Leadership Development and Training

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MS. VAN DER VEER: Pam Rechel, okay, Nancy Pringle and Stephanie Hardy, please come up to the table. And Pam, you're first, followed by Nancy and Stephanie.

Okay, Pam, state your name for the record, and then when you're finished, I will ask if David has a question.

MS. RECHEL: Great, can you hear me? My name is Pam Rechel, and I'm one of the commissioners for the Oregon Commission on Voluntary Action and Service, otherwise known as Oregon Volunteers.

And I'm kind of nervous here being the first one, jeez. And I'm excited about the public input process for this. When I served as a commissioner, this really allowed us the opportunity or forced us to get clear on what the impact of these rules could be, so, um, applauding the process itself.

And the topic I'm talking about is sustainability and the rules about sustainability. And I want to say that we definitely support and applaud the concept of sustainability and that, in fact, programs don't go on forever and ever and ever.

Here in Oregon, we have a goal that we want as many programs throughout the state and not just in Portland or the big metropolitan centers. And part of the rule on sustainability, if a sponsoring organization or its employee number or its -- some kind of identifier were the place where the sustainability rule -- the countdown to the years, if that's the place where that would happen, that would severely limit us because programs like the Red Cross is a sponsoring organization and for us, it's kind of tough to find organizations willing to pile through on all the paperwork and how to get people paid and all of that.

They go out and they work with lots of small organizations and small cities and villages in Oregon so we believe that the -- it should be at the program level or subgrantee level that the -- that the sustainability requirement should be limited.

And these organizations that do act as the true intermediaries, I'll use the Red Cross as that example, they go out and they've got a process that looks for new and different programs all the time, so we want them to be able to continue to have that flexibility, yet also have the stability of having them as the -- a continuing sponsoring organization.

In the -- Encouraging programs to obtain support above matching requirements, the rule uses some terms like there's a better chance or a more likely possibility. It seems to me those -- those words, better chance or better likelihood, need to be further defined or to have -- have clarification on how much the increased match might be weighted, or we alternatively suggest that the match could even be a separate category or viewed under a separate process, a re -- separate review process.

The rule encourages programs to reduce the cost per member but doesn't tell us how those reductions will be taken into consideration, so the rules are clarified and programs will be judged against others or against their own history and how much the weight will be given in this effort during the application process.

So we do agree and support that state commissions should develop and have a local sustainability plan for their portfolios and we'd like further language clarification that leaves it more open to the individual state and not requiring additional parameters with the contingencies. And my most important point is, please, don't limit it by an I.D. number like the Red Cross but to do that at the subgrantee level, so -- and that's all I have.

MS. VAN DER VEER: Thank you.

MS. RECHEL: Thank you.

MS. VAN DER VEER: You're welcome.

MS. RECHEL: Thanks.

MR. EISNER: Thanks very much. I want to check a couple of things. At the end of your comments, you were talking about language like better chance, better likelihood, that was in the competitive criteria section.

The way we meant it to work is that we -- we said the 50 percent program quality, 25 percent is infrastructure and 25 percent is cost-effectiveness of which matching was one of about six different criteria. Cost was another.

Are you saying that that's insufficient, 50 percent, 25 percent for cost-effectiveness and using the 25 percent range?

MS. RECHEL: Well, it's not clear to me exactly how much weight that would be given so even in your -- in your comment, to say is it more important that we look at the -- the matching and the changing match, is that more important or is the history of the

organization more important? Is it gonna be compared one organization against the other or against their own work?

Is that clear? I'm not -- I'm not being terribly clear here.

MR. EISNER: I'm trying to -- Yes, well -- we'll take that -- that -- that's what we tried to do putting the percentages in but we can keep looking at that.

I would urge you and -- and everyone else, when you're submitting comments for one of your questions and it's something that's unclear and you're trying to figure out what we mean, it would be most helpful in your comments, and in particular in writing, if you actually told us how you hope it will be interpreted, like in particular pointing out errors on clarity. Sometimes there are areas that we -- and so we're getting comments not just as to the question what do you mean by this, but saying something along the lines of we hope you mean this by this. It will be enormously helpful to us as we're doing the final draft.

THE WITNESS: Great. Thanks.

MS. VAN DER VEER: Okay, Nancy. State your name and your organization, please.

MS. PRINGLE: Thank you. Nancy Pringle, Washington Service Corps. And I hope, David, that I've done basically -- a couple of my comments have been what you've just suggested.

As I said, I hold the position of director of the Washington State Service Corps. We are your largest program partner in Washington State. And thank you so much for holding the hearing close to where we are in Olympia, Washington. We're only a couple of hours away and it was equally good for us in -- having it in Seattle last spring so we were able to attend easily.

Before I comment on a few issues, I want you to know how grateful the field is when you took such a strong position on maintaining the infrastructure built over the last ten years, so thank you.

I'm here today to just follow rule making issues, sustainability, grantee selection, performance measures and evaluation.

For sustainability, I just -- I have short comments. Although, we are -- we, the Service Corps -- were able to meet the proposed match requirements, we are worried about some of the smaller, low income based programs especially in rural areas which don't have a foundation or the private support.

We know through congressional correspondence that the push for lower cost is motivated by several factors including the desire to achieve President Bush's goal of between 70 to 75,000 Americorps members.

Trying to hit that number with the finite amount of funds now available is always going to result in an emphasis on lower cost per member. You may need to think about moving away from numerical targets and emphasize other results that reflect quality.

Grantee selection, modifying ways for selection criteria can reduce points for program design and increasing the points for cost-effectiveness along with the new match requirements sends the message that low cost is the single most important consideration in grant selection.

I realize that it doesn't have the highest number of points but percentage -- but it does send that message. This may discourage innovative program design reaching hard to serve populations, again the question is low income.

Performance measures, please recognize and as our partner state here in Oregon said, the intermediary nature of programs such as ours. We at the Service Corps are able to effectively support projects in all five issue areas. Stating that performance measures must be aligned with one another could limit our ability to report significant outcomes for all of our projects.

We have a primary purpose in each of those five issue areas. We have a strong educational tutoring component. We have a widely regarded homeland security project. We have an innovative -- We have an innovative public safety project helping the schools. We have a small but effective environmental restoration and education effort, and then dozens and dozens of other human needs projects across the state.

Evaluation, for programs of our size, the language limits -- it seems to limit and we're not sure if you meant this intentionally or not, but the language seems to limit acceptable evaluations for those on the 500,000 or more threshold to those that utilize random assignment.

Many of our project sizes, especially the rural ones, cannot use this methodology. It requires twice as many applicants as you plan to enroll. Additionally, it could be a marketing disaster if word gets out the program is turning eligible people away.

A program's reputation and integrity are at stake here. There are, as I'm talking with my evaluation counterparts, people who know about this thing -- these things. They say that there are other scientifically-based research methods that generate valid data.

Your recent AmeriCorps study did not use random assignment. It used a comparison of those people who called your 800 number but those people who never called up to enroll in the program were excluded in the comparison group.

The rule should encourage and fund commissions to provide state -- statewide or regional evaluations that are both cost-effective and provide potentially broader analysis. The corporation should not require local evaluation at all but instead fund commissions and contract for state evaluations much the way the Workforce Investment Act does.

Finally, my last paragraph, clearly the proposed rule is not a case of doing away with AmeriCorps. We -- We understand that. Rather, the effects of the rule would be more subtle and their impact would not be known for some time.

We encourage you to use the field input and move the program towards higher quality and accountability without destroying its uniqueness, that ability to create programs which meet local community needs. Thank you.

MS. VAN DER VEER: Thank you, Nancy. Five minutes, very good.

MS. PRINGLE: Pardon me?

MS. VAN DER VEER: Very good.

MR. EISNER: Thank you. I wanted to clarify. You noted that you're worried about the elimination of programs that are smaller. Should we take that worry to mean that you're hoping that the -- that, you know, ameliorating actions that we can take to work or can we take that really to mean that you don't think those new acts are sufficient?

MS. PRINGLE: I don't think they'll be sufficient for smaller -- smaller programs especially those from rural -- from rural areas that don't have the ability to access private funds. I -- I don't think it will be sufficient.

MR. EISNER: Thank you.

MS. VAN DER VEER: Stephanie?

MS. HARDY: Thank you.

MS. VAN DER VEER: Find a mic that works. Let's -- Let's try that one.

MS. HARDY: How's that?

MS. VAN DER VEER: Great.

MS. HARDY: I'm Stephanie Hardy. I'm the executive director of United States Veterans Commission also known as U.S. Vets.

We have a program called the National Collaboration for Homeless Veterans. We started it in 1994 with one Americorps site, 14 Americorps members. Today, we have 200 members serving well over 10,000 homeless veterans every single year in 13 communities around the country through national direct programing, two state commission programs.

The three concerns that I have are in sustainability, cost-effectiveness and the cash match requirements.

The narrow definition of sustainability that we see in the rule making process doesn't consider the successful replication of successful programs like ours.

The other thing I -- I think it doesn't take into consideration is being able to create sustainability within a program. Example I can give you, in 1994, two Americorps members decided they wanted to start a food service program at a facility in Los Angeles that currently had 150 Americorps -- I mean, 150 homeless veterans, and -- and no food. They started it by getting donations of coffee and day-old doughnuts and just doing breakfast.

Today, no Americorps members serve in that program that was started by Americorps members. But that meal service program serves 550 homeless veterans every single day, 35,000 meals a month. Those Americorps members weren't eliminated. They moved on to create another program within that program for homeless veterans. I'd say that's sustainability.

Cost-effectiveness, right now it's being measured by the amount of money you spend rather than the value that you get for that amount of money. A year ago, I looked at one of the programs that was started and is now helped by Americorps members at one of my sites. It's a career center for homeless veterans.

We looked at the cost of the program utilizing Americorps members and the cost of the program if we did not have Americorps members and had to utilize HUD funding, Department of Labor funding or something else to use full-time staff members to do those same jobs. The cost savings per homeless veteran served, \$527 per veteran. We see 828 individual homeless veterans in that program every year for a cost savings of \$327,276 a year to one program serving homeless veterans in the country. I think that's cost-effectiveness.

Higher match requirement, even in big cities, I struggle to meet that cash match requirement, every year. The programs that I send Americorps members out to out in the communities struggle to meet that cash match requirement every year.

There will come a time when it will no longer make sense in my organization to utilize Americorps. And I think that it -- it almost is turning the corner and making it unsustainable, the program's unsustainable by requiring the cash match to go up and up and up to a place where you can no longer meet it.

I think Americorps has the potential to make an impact on social dilemmas in this country that are ongoing. And I applaud the work that you've done. I -- I hope that what you will do is -- is not trade program quality and impact in strong programs, that it won't be sacrificed for the appearance of saving some money and being able to get more members into more congressional districts, that you will stand firm with what has been done and what has been accomplished already in your Americorps program. Thank you.

MS. VAN DER VEER: Thank you, Stephanie. David, clarifying questions?

MR. EISNER: I guess I hope that at some point you'll help provide what you would like to see in terms of a less narrow definition of sustainability. The examples that you gave are actually explicitly inside the rule currently in terms of replication, sustainability inside the program. Those are in our -- or actually specifically cited inside the cost-effectiveness section and the criteria, so I -- I hope to see more specificity in terms of what -- what we can add to get there.

I'd also ask another question. Are -- Are you -- When you talk about matching and the cost-effectiveness, are you saying that you don't think that cost-effectiveness should be a factor or are you saying that it shouldn't be as strong a factor?

We currently have cost-effectiveness at 25, program impact at 50. What -- Where would you rather see it?

MS. HARDY: Did you say 60?

MR. EISNER: Fifty, the program -- The -- The draft rule has effectiveness at 50 and cost-effectiveness at -- at 25.

MS. HARDY: I -- I think cost-effectiveness is -- is an important consideration in all programs. Americorps is -- is as much of a business as any other business is. And -- And I think all of our programs have to be run like a business.

I do think that there are broader ways to look at cost-effectiveness than just reducing the cost per member and -- and I do think that the bottom line is we're going to keep on trying to get ahead so that Americorps goes forward and -- and -- and his bottom line is, you know, what is the cost per member? How many members are you getting out all over the country? And -- And I think that -- that that's gotta be balanced with the impact of the program and -- and the -- the program effectiveness and -- and that there are other cost effective indicators within a program beyond cost per member.

MR. EISNER: Thank you.

MS. VAN DER VEER: Thank you to our three speakers. And now we are gonna call up the next three who are -- who are intending to make comments for the record. Ralph Brown, Elsa Sargento and Bob Weil.

MS. SARGENTO: Is it five minutes together?

MS. VAN DER VEER: Okay, Ralph. You have the microphone, and just go ahead and state your name and organization for the record.

MR. BROWN: Thank you very much. My name is Ralph Brown. I'm with the Oregon Commission for Voluntary Action and Service. I'm here representing several other organizations because I'm "I have a dream sponsor" and we use Americorps. I'm on the Washington County Community Action Board. We use Americorps and their tutoring program and our school district uses Americorps, and we're a much happier group than we were a year ago.

My -- I'm going to be talking about grantee selection, and that's from section 2522.400 to 2522.470. Grantee selection is very important as we go through these, and -- and as a member of the commission for a year, now I've had the pleasure of going through the papers and working with people going to become grantees I think is truly impressive and -- and it's very tough selection, but we have some things we'd like to share with you.

First of all, we disagree with the changes in the criteria and weighting of the grant selection process. The decreased weight for program design does not adequately value the program's structure and goals in determining success and impact. We feel that the language provided under sustainability aptly applies to the importance of a program's cost-effectiveness.

We maintain the program design should continue to be at least 60 percent of the scoring during the grant selection process. Program design is the core of the application. Without adequate weight in this category, funding decisions may very well be made on other criteria with less consideration given to -- to -- given to program design further

increasing the weight for cost-effectiveness made for the new and/or small community based organizations and further disadvantage and discourage their participation.

We strongly disagree with the corporation allowing additional though relevant information to a company application are to be taken into consideration during the decision making process.

The examples listed in this rule includes items such as annual reports, web sites and grantee communications. Inclusion of these materials would create an uneven playing field and -- and open up the decision making process to be highly subjective. Such an open ended opportunity would appear to be an advantage to a more sophisticated sponsor or, again, to discourage new small community based organizations.

We have and continue to support the current descriptions on attachments or accompanying letters of support or documents. With reference to consideration of the state commission's financial management and monitoring capabilities in refusing a program application, we believe that the rule needs to be much more clear.

The rule should articulate the following: The criteria for making a judgment of material weakness. The time line for the judgment relative to application submission and the -- the specific steps necessary and available for reversal of this status.

I think one of the key things here is in Oregon, for example, and I'm sure in Washington and in other states, we have the core area. In Oregon it's the Tri-County area, and then -- then we have the rest of Oregon. Our programs should be designed for all of Oregon and we want to make sure that we can get our programs off into all of those areas. Thank you.

MS. VAN DER VEER: Are there any questions, David?

MR. EISNER: Thank you, first of all, for the specific nature of those comments. On the disagreement with the use of other information, did you mean to say that you disagree specifically with the ones that you outlined or -- or were you saying in a blanket way you disagree with looking at any information from outside of the boundaries of the -- outside the boundaries of the application itself?

And -- And let me just extend the question by giving you one of the challenges that we're trying to address. How do you -- How do you know if you're serving appropriate rural areas if there's not a way to look at some -- in a nonapplication sense where the program is oriented or how do you know if you're serving a broad enough sample of small, medium or large areas if you don't look at the criteria?

MR. BROWN: Okay. I -- I would just take the community such as Dufer, Oregon, very small community in eastern Oregon. Probably one person decided that they would like to start a program. They may not have all the resources to come up with a web site and all these other things but must -- might have a very good program. And as my -- one of my predecessors from one of the states said, the Red Cross program sends out people all around the state. So they -- You know, if that person in Dufer knows that the Red Cross can work with them, they can communicate back to them and I don't think we should limit them because some of those places just don't have the resources. I -- I

keep going back to the web site as one of those things. Being a computer nerd myself, I don't know much about 'em enough to make a web site.

MR. EISNER: Can I --

MR. BROWN: Sure.

MR. EISNER: I -- I want to make sure I'm not putting words in your mouth. What -- What I'm hearing you say, then, is that you want to make sure that the materials we look at don't disadvantage the organization --

MR. BROWN: You're right.

MR. EISNER: -- that may --

MR. BROWN: That's right.

MR. EISNER: -- not have -- they're not on a -- from a philosophical point of view saying that we shouldn't be allowed to look outside the boundaries of the application, particularly if you look outside the boundaries of the application, you shouldn't -- you shouldn't be looking in places that disadvantage organizations?

MR. BROWN: Correct.

MR. EISNER: Thank you.

MR. BROWN: Thank you.

MS. VAN DER VEER: Elsa, the floor is yours.

MS. SARGENTO: Thank you. My name is Elsa Sargento and I'm the director of the Alaska Community Service Commission and on behalf of Alaska State Community Service Commission and Americorps programs in our state, I want to provide the following comments on the proposed changes to the corporation's regulations down at 45 code of federal register 2510, etc.

I appreciate the efforts of the corporation to update its regulations and seek more involvement from the private sectors. Americorps from its inception has been active in voluntarism, to make use of those with expertise in a variety of projects.

We in Alaska support the concept of sustainability as the adoption of a revised cost for full-time equivalent. However, the commission has concerns about the proportions of the produced regulations which at first increase grantee unit on the program cost based on aggregate and incremental schedule to 50 percent, aggregate level by the tenth year in which an organization receives an Americorps grant for the state program.

And second, expectation that each state commission will reach the sustainability approach based on private donations. While this proposal may have merit for many states, the applicability of this proposal to Alaska poses real problems and concerns.

Both Alaska and its commission are unique. Alaska is a large state with a relatively small population of approximately 650,000 people. The population of Alaska is spread out through the state, a state more than three times the size of Texas. We have a single track railroad going just north and south. Scores of communities served by only ferries in weather that's at best unreliable and extremely expensive. Our commission serves 69 Alaska communities out of 300 communities throughout Americorps and certain programs, a few of these first class cities such as Anchorage and Fairbanks, the rest are small and rural. Some of these communities are far from Alaska railroad system and are not served by ferries or trains. Some cannot be reached by jet aircraft and are only serviced by small, single engine driven piston aircraft. The Alaska location effect has problems and has dramatic impact on the budget of my state, and the cost of my volunteer services. The cost between Anchorage and rural Alaska parts traveling across from Anchorage to Washington, D.C. just like an airline ticket from Anchorage to visit a program site in Saint Paul, Alaska costs \$850 and an airline ticket from Anchorage to Washington, D.C. is \$500, and the gas prices, over \$4 per gallon and oil is \$2.75 per gallon and a gallon of milk is \$8.00.

Of course we in Alaska support the concepts protected in the rule making, sustainability of grantees, setting performance measure for grantees and achieving more efficiency in an accountable program. Alaska, however, lacks private sources of funding in many rural locations. We ask, therefore, that Alaska's unique geography, weather, population and the general remoteness be reflected in the application of the new regulations, either granting Alaska an exception for the sustainability rules or creating a less onerous sliding scale to accomplish this.

For example, the regulations impose a requirement that the grantee's share for program cost be 50 percent aggregate in the tenth year. For Alaska, the 50 percent requirement would properly be reduced to 15 percent to reflect the lack of capital and private businesses that exist in many of the communities served by the commission. The proposed ten year regulations could be changed to 20 years because by that time Alaska should develop the time -- the type of economy which will have private partners.

Alaska's unique among states, natural resources and lack of opportunities in many communities. Alaska is not asking for special treatment but only with the reservation that it's relatively young of 45 years. One aspect of the developing infrastructure is qualified smaller communities. Well intended regulations, it's many private involvement in much needed programs could unintentionally spell the end of the commission with Americorps. Thank you so much for this opportunity.

MS. VAN DER VEER: Thank you, Elsa.

MR. EISNER: Thank you, Elsa. I'm -- I'm -- I'm -- Early on you mentioned that you're worried that there's a requirement that state commissions develop a sustainability approach using private funding. What I believe we had meant to do was to simply say that each state commission develop their own policy, their own sustainability approach for the state. Are you -- Are you saying that somehow in articulating that, we've overly -- we've -- we've made it insufficiently flexible for each state?

MS. SARGENTO: Yeah, we do have communities that do not have any private funding sources at all and it's really hard to really have a program there established, lack of private funding sources.

MR. EISNER: Okay.

MS. VAN DER VEER: Okay, Bob, and I believe you have Jen with you. The two of you now have the floor. Thank you.

MR. WEIL: I'm Bob Weil of the Oregon Student Assistance Commission, and with me is Jen Bauman who is the student commissioner on that same commission. I want to commend the rules people for the work they're doing. Our commission does rules and regulation work and we know what a thankless and tiresome job it can be.

Jen and I are here today primarily to express our deep and profound appreciation for the help that Americorps gives us in our Aspire Program. Aspire is a program that helps kids find their way through the maze of regulations and fund raising and all the different things you have to do to try to go to college.

In schools where the average classroom has 450 kids to take care of, can't possibly talk to them at all, Aspire is in 63 high schools all over Oregon from Roosevelt High School in Portland to Lost River High School somewhere's out -- way out in the state. I couldn't find it on our map.

There are 550 volunteers working on this program helping over 3800 kids last year. Without the help of Americorps, Aspire could not do its work and we want to express our appreciation for the way the rules are being written that will enable us to continue with its work.

MS. BAUMAN: Thank you. I just want to reiterate what Bob said. It's been a real pleasure to be here and be a part of this rule making process. Aspire is a key part of what we do as a commission and it can't work without Americorps members. Anything that keeps that part of our job sustainable is -- is key for us. Those kids getting into college and navigating the maze of -- of funding more than anything else, finding a way to make their college affordable to them from metro areas of Portland to the rural areas throughout the state, is a real driving force for us.

We are less experienced with the comment on the rule making process in general and I believe that everybody who's spoken so far has said very eloquent things and we hope that you all do the right thing for all of us. Thank you.

MS. VAN DER VEER: Great, thank you so much. We appreciate that. Okay, I think we're ready for our next three speakers. Thank you to Ralph, Elsa, Bob and Jen.

Kathleen Joy, please come on up, and Lauren Creany, is it, with the American Red Cross, and Patricia Bollin. Okay, and I just want to remind you that Mary needs your name for the record.

MS. JOY: I'm Kathleen Joy, the director of the Oregon Commission for Voluntary Action and Service and we welcome you here to Oregon. I don't know if we've done that officially in front of the group this morning.

I'm going to mainly speak about evaluations but I want to start with a couple other clarifying comments on -- on testimony that's been given by some of our commissioners.

Back to grantee selection, the uniform review of additional documents that we suggested should be clearly defined. I want to caution you that the 990 doesn't work for everyone. I come from the Red Cross that files one 990 for the entire organization across the United States. There would be a number of grantees in our portfolio who we couldn't find anything for and I think that's the real difficulty in opening up the possibility of looking at other documents.

I urge that, specifically, things are spelled out, that anything where there is a possibility that it wouldn't be even across every applicant be disconsidered in the process.

I also urge that the portion that talks about materially weak commissions be clarified so that if I'm a materially weak commission, I know that before the application process starts. There is nothing that could be more harmful to an agency or an organization in our state than to go through what is a complex and cumbersome application process only to be lost from consideration because I had not done my job correctly.

With reference to sustainability, I -- I do want to reiterate what you've heard before from other people, to remember that the increased match and limited cost per member is difficult in most states with limited relegation and corporate support than in Oregon and in each of our six mega cities.

The largest employers are actually government or nonprofit organizations and that's true across the state. Our fund raising base is low. Our unemployment rates are high. Our poverty rates are high. Our hunger rates are astronomical, and in general, the small organizations that we serve either directly or through intermediaries lack cash resources.

Also, I have concerns overall, Patricia and I of course didn't agree on everything in the sustainability section, but I see there's a dichotomy potentially starting to fall here between competitive and formula programs in the way sustainability is regarded in the portfolio.

She says, well, we can fix that in our state's sustainability plan. And I say, well, yes, we could if it's a formula program, but what happens, then, if there's a different set of sustainability rules for a program in the competitive part of our portfolio, so I ask you to encourage that. Consider that my comments on evaluation.

The rule defines evaluation as a method to assess the effectiveness of programs by comparing the program outcomes with what would have happened in the absence of the program. This approach may impact program designs and still require random selection and use of control groups.

It is also a difficult approach given the definition of AmeriCorps Service as enhancement. This definition means there's a strong probability that many other factors impact the outcomes in programs in which AmeriCorps members are involved.

There are other scientifically-based research methods which generate valid data and they should not be ruled out. The rule should simply state that evaluation requires the use of scientifically based research methods. We appreciate the limitation of the requirement of evaluations to only those programs that receive a grant of \$500,000 or

more because these reports will be considered part of the application. The rules should clarify how they will be reviewed.

We strongly recommend that the evaluation reports be reviewed by professional evaluators rather than lay readers. If these evaluations are gonna have a major impact on future funding decisions, the report should be analyzed by people with the necessary skills and training to understand the differences between the variety of program ways in which Americorps involved.

For those programs not required to submit an evaluation, the rule still encourages that an evaluation be conducted. Commissions and programs need further clarification on this subject. How will evaluations be judged? If there is going to be an impact for having or not having an evaluation, then the rule should state what these are or indicate the mechanism under which the reports will be reviewed.

We agree the commission should be responsible for establishing the evaluation criteria for their formal portfolio. The rules should go further and encourage commissions to provide statewide or regional evaluations even in small programs attending this task.

Ideally CNCS should consider the cost benefit of providing evaluations through commissions through regional evaluations of either similar programs or similar performance measures. Thank you.

MS. VAN DER VEER: Thank you, Kathleen. While you wanted to make sure that we were officially welcomed to Oregon, we also want to officially thank you for hosting us here today and for all of the work that you've done to make it happen.

MS. JOY: Thanks. It was all of our -- It was a group project.

MR. EISNER: Thank you for hosting us and for those comments.

Can you clarify what you hope encourage means and -- and whether you think that there should be any administrative teeth behind it or whether -- I think as it currently stands in the rule, it currently is a statement of policy. Just because we're not requiring that, doesn't mean we don't think it is a good idea. Are you saying you think it should go further than that?

MS. JOY: I'm sorry, sir, I missed -- I couldn't hear the first -- what it is we're talking about. I got the question --

MR. EISNER: On evaluation, the question you asked -- you asked what it means to encourage --

MS. JOY: Right.

MR. EISNER: -- organizations that are not required --

MS. JOY: Right.

MR. EISNER: I would ask what do you hope that means?

MS. JOY: I really think that the encouragement as I suggested needs to come to the commissions. I think that we're setting ourselves up very poorly if we're going to allow people to get an evaluation if they've got the money or the resources to do that and throw them into the same pool.

I think it's counter productive because it unlevels the playing field even further and that evaluation needs to be looked at for programs under 500,000 as being more directed by the state than by an individual program.

MR. EISNER: Thank you.

MS. VAN DER VEER: Okay. Thank you so much, Kathleen. Lauren, you are the next speaker, please.

MS. CREANY: Hi, I'm Lauren Creany from the Oregon State Service Corps. We're an intermediary organization that is sponsored by the Oregon Trail Chapter of the Red Cross. You've heard our name a few times tonight actually, or this morning.

So I really want to thank you for having this rule making process and all these public comments. I think that this is a really valuable process and I feel that there's a lot of strength in the rule that -- as it is proposed.

I also think that there's some cons in the rule as proposed. I think there's areas for clarity, as well. So I don't want some of the things that I feel confidently about to be lost in it, although it probably won't be exercised as much.

MR. EISNER: We're used to that.

MS. CREANY: In terms of sustainability, the first really strong point I think is that there is no sunset clause. That is -- That is critical. And I think there's really good clarity around the increase of the match requirements over a certain set amount of time. And some of the areas which I thought there needs to be more clarity, I would appreciate more charts such as data, time lines, real details around how much points things are going to be given because that is really helpful to the programs in terms of planning and that will allow us to start to plan better.

Speaking of that, I think that we do need more clarity around the competitive advantage of having a lower CNCS cost per FTE. Now that's within the 25 percent, if that number - - if that percentage remains, but what does that mean? I mean, there's a requirement that we get up to 50 percent of match but there is no requirement about being lower than the cost per FTE, so there's a competitive advantage to that. That should be stated more clearly, I believe.

Then there's also -- I believe there's a sustainability section, a statement around volunteer displacement and it is not clear to me what voluntary displacement is. Is that a one-on-one displacement if you have one volunteer serving full-time or is it that you have maybe 20 volunteers trying to meet their needs and bringing in an Americorps member to organize them and they're still active but their role has changed? If that's displacement, I do not think that that should be displacement but I want some clarity around that.

Around performance measures, I do think that it's judgemental to require special intermediary actions like our own to have higher performance measures aligned. Already it is difficult for us to develop meaningful performance measures that speak to what our members do. If we are committed to choosing one area, I think it will limit our scope of our program in a way that would hurt the -- the small programs, the smaller organizations that we serve.

I also think that specifying that programs also include input and outcome for its primary activities will also be difficult for intermediaries and maybe there should be some different language around intermediary performance measures.

I also think that a -- a three-year cycle will be -- for performance measures will potentially encourage programs to set their sights lower rather than being able to readjust its performance measures on a year to year basis. In year one, we actually reached more people than we expected to so we can increase those goals rather than keeping them so low you can be sure to attain them every -- for the entire three years.

Let's see, so I am one of those programs that is over the 500,000 dollar level and I would like some clarity around when we will first need to complete an evaluation and submit it. Our grant application is coming up for this year. I have not had an evaluation yet. Is that something that I need to include in my first application or is it a gradual thing that's going to be restarted in year two as a returning organization in that five-year requirement?

And I also believe that the state commission could have a role in helping us across the state to look at certain issues that -- across the program.

In terms of grant selection, I also believe that increasing -- that -- that the program design element should remain primary and that it should remain at 60 percent. I think that the increased clarity around what it means around the increased matching requirement and lower cost per FTE would already emphasize cost-effectiveness more than it has been emphasized in the past, and by reducing program design level of importance, I think you lose what is most essential to an effective program. And I believe that's where I will stop.

MS. VAN DER VEER: Great, thank you very much, Lauren. And David?

MR. EISNER: Thank you very much. Terrific questions there. Again, I'd encourage later that some of the places where you're asking for clarity that you note how you hope -- what you hope the outcome of that clarity will be as -- as you did on the volunteer displacement question.

I want to ask -- You mentioned a couple of times the limits of choosing one end outcome and having limits of choosing one area for alignment. Do you see somehow the rules restrict your ability to only do performance measurement in one -- in one area?

MS. CREANY: That's how I interpret it. Am I interpreting that incorrectly?

MR. EISNER: They're draft rules so --

MS. CREANY: Okay --

MR. EISNER: -- maybe we did intend -- we intended -- we intended to only require one but to give many programs the ability to do more.

MS. CREANY: Well, for an intermediary that serves several issue areas, only having one performance measure is also very -- it doesn't give much information about what it is that we're doing.

MR. EISNER: We -- We were trying very hard to make that a minimum requirement so we weren't pushing too hard but to really provide the support to be a much broader performance measure, so maybe we can look again.

MS. CREANY: Okay. I may have mis -- If you could clarify, that sounds better than what I thought.

MS. VAN DER VEER: Okay, Patricia, thanks. It's your turn.

MS. BOLLIN: I'm Patricia Bollin, I'm the Americorps program office assistant for the Oregon Commission for Voluntary Action and service.

I would just like to -- since most of my points have already been raised, I would just like to clarify a couple. The first would be around sustainability, that sustainability not be required by the EIN or the sponsoring agency.

We, for example, in Oregon utilize a state agency that's very large and serves a variety of different needs in each state. It currently sponsors one Americorps program in reducing pregnancy, however it could start to do a different type of program and sponsor different -- a totally different Americorps program and it's limited in that sustainability chart.

Again, I would, again, strongly disagree with the use of additional materials in the review of applications outside of what is currently in the application mainly because it makes it an uneven playing field. Even when you're looking at large organizations, if they are not sophisticated enough to have as good a web page as another, how can we compare them?

If their annual report is done differently than a slicker one, how will you be able to compare those? And I've always appreciated the fact that the application process has been very tightly controlled simply by the application, and -- and unless there's somehow a way to make that -- that an even playing field, that just doesn't seem an equitable process.

The proposed rule does state that performance measures must be aligned with one another. This is difficult for programs with intermediaries as we just discussed and I think that that is unnecessary language for the performance measures. We worry that there's a direct link between under accomplishment of performance measures and reduction of grant funds and that it may have the unintended consequence of encouraging programs to use the status quo and avoid creative or risky goals. Even though there's a number of steps in between that, this is the first time there's a tie between directed accomplishment. The corporation has always taken program performance particularly into consideration with regard to decisions of how this language limits our program performance as evaluated. We look forward to the development of a

national performance measure on -- a common definition would clear up many programs confusion regarding how we could balance these issues and support down here, both of which are important.

I have a very strong concern around evaluation of smaller programs. I think that it is, to be honest, a waste of federal money for small programs to be attempting evaluation. I don't think that we end up with usable evaluations and I think that statewide evaluations would be a much more cost effective use of federal dollars and a much better use of program time.

MS. VAN DER VEER: Great, thank you very much.

MR. EISNER: On your last point, can you define what you mean by small program evaluations? As you know, the -- the -- the proposed rule does say that --

MS. BOLLIN: 500,000, but it also encourages those under 500,000, so once you put that out there, everybody's got that as a -- as a goal because they want to be competitive. I think that small programs should not have to do evaluation. I think it's a waste.

MR. EISNER: Can I -- Let's me test if I'm putting words in your mouth. You think it could be interpreted as -- that -- that although you -- you would hope that although we encourage evaluations that that is not gonna be taken into account in the competitive process?

MS. BOLLIN: Not speaking as a staff person for the commission but as Patricia Bollin, citizen of Oregon, I think evaluation at that level is a waste of federal dollars, that you do not get accurate, usable evaluation data from a small organization that's trying to do something about servicing the community and doesn't understand evaluation. And the dollars that it takes to do a valid evaluation are not worth it at a small program level but are worth it at a state level where we could actually get -- if we were looking at common programs with common performance measures across the state that balance the -- an evaluation that was really scientifically based. For the small program, it's about doing Americorps, doesn't understand or shouldn't have to deal with evaluation. Evaluation is a big word.

MR. EISNER: Let me try putting words in your mouth another way. Are you -- Are you maybe -- Are you saying that you think you'd like to see a requirement say the standards commissioners are responsible for small programs?

THE WITNESS: With some control around how that evaluation looks, absolutely. If it removes that evaluation criteria for small programs, yes.

MR. EISNER: Thank you.

MS. VAN DER VEER: Thank you to our speakers for the comments for the record. And we have two additional speakers registered this morning, David Muraki and Kelly Houston, please come on up to the table.

While they are coming up, I would just like to ask if there is anyone else, please raise your hand. Marti, you can come on up to the table, as well.

Okay, David, you're -- you're first in this group and just go ahead and state your name for the record and organization.

MR. MURAKI: David Muraki from the California State Commission. I'd like to start just by thanking the corporation for the work you've done on the draft rules. I think that the draft rules look like careful listening, thoughtful and creative work.

I'd like to focus my comments on grant selection criteria and then tutoring requirements, and if I have any time left, the grantee share and sustainability issues.

In terms of grant selection criteria, we support giving a greater emphasis to -- to sustainability but we don't support increasing the percentage given to the cost-effectiveness section to 25 percent as it means to give sustainability a greater emphasis.

We have four recommendations regarding grant selection criteria. The first is that the name of the budget and cost-effectiveness section be changed to budget, cost and grantee share. And you'll get a little bit of the rationale behind that later.

We recommend that the total scoring possible for this cost section be maintained at 15 percent. We recommend that that 15 percent score be stipulated to be comprised of three equally weighted sections. Cost per FTE would represent five percent or one-third of the 15 percent. Grantee share would represent five percent. And the adequacy of the budget to support the program design be allocated five percent, as well.

And then in terms of the fourth recommendation we make, we recommend maintaining the scoring for the program design section at 60 percent and the organizational capacity section at 25 percent.

And within the program design section, we recommend that the subcategory of needs and service activities or rationale and approach be allocated no less than 25 to 30 percent of the score.

And some of our rationale behind those recommendations is that in making grant making decisions, both the corporation and the state commissions, we need a lot of information. And some of the most fundamental information that we need is related to answering the questions of whether the program is worth sustaining and whether the program is effective. And we believe that evaluating the program design section at less than 60 percent devalues the answers to those -- to those questions. We also believe that the needs and service activities or the -- or the rationale and approach sub -- subcategory program design is the most fundamental element of design and it should be -- really, there's not a satisfactory response from the applicant to the questions in that section. There's really no reason to even consider the sustainability or the cost per FTE of that program.

We believe that the current budget cost-effectiveness section is misnamed and it's underutilized. It does not include any specific allocation of representative scoring to cost per FTE or grantee share so we believe by allocating a specific amount of scoring to those subcategories, that goal of ensuring that everything else equal, program -- lower cost per FTE that would be achieved.

In terms of tutoring, we were very close in California to believing that the tutoring requirements proposed in the draft rules were not a problem or not controversial but we surveyed our school sponsored Americorps programs and we received eight responses and all of them said that new rules are unnecessary and would be devastating to their programs, and over and over again, five reasons. The first -- five reasons what -- really why the minimum qualification should be those that require four organizations other than school organizations.

And the five reasons are that great ongoing training is more important for effective tutoring than minimum qualifications. The second is the member supervision is more important to effective tutoring than minimum qualifications. The third is that the ability of members to relate to tutees is more important to effective tutoring. The fourth is that the current members that meet the current qualifications are effected, and if they weren't, then schools would have insisted on new qualifications and so basically these decisions would be made locally and they are -- the schools are satisfied with the qualifications as they are currently. And that requiring -- the no child left behind qualifications will severely impact the program improvement and reserves opportunity for otherwise willing and able community members and will reduce the number of children that will be effectively served.

Just a couple comments on -- on grantee share. We would like to see a provision added into the grantee share rule that says that a state, based on an approved sustainability plan, set the program specific grantee share requirement and that the corporation sets a requirement for grantee share that's similar to the cost per FTE requirement, and that's portfolio wide rather than program specific.

And we also believe that there should be nothing in the rules that requires us to divert funding from a program that has a high level of grantee match and has a high level of quality to a program that has a lower level of grantee match and a lower or unknown level of quality. Thanks.

MS. VAN DER VEER: Thank you. David, you're writing, so are you ready, David?

MR. EISNER: Yeah. A couple of questions. Let's start with tutoring. Are you suggesting that for your grantees, there are -- that are state -- that are school sponsored, that there are set Americorps members for whom no child left behind is not currently applying to them, that under these rules no child left behind would begin to apply?

THE WITNESS: That's correct, there's not one of our sponsors that said that they currently meet those requirements. Some of their peers do. Some don't.

MR. EISNER: The questions is, are they supposed to be currently meeting 'em? I understand the intent behind it was not -- the intent behind it was to stay completely within the bounds of no child left behind so that people that are currently subject -- no child left behind would continue to be subject and would not be spreading the requirement to any additional Americorps members.

And so what I'm trying to figure out is are you saying that there are Americorps members that under California law are not subject to no child left behind or professional requirements but that would only be subject to that because of our rule?

MR. MURAKI: I'm saying that -- that it is definitely possible given the definition of who a tutor is and what a tutor does that -- that it could be interpreted, I guess, that no child left behind qualifications would apply to tutors who are not currently -- that it does not currently apply to.

MR. EISNER: Thank you. It would be really -- It would be helpful if you're able to in follow-up to identify exactly what population exempted from no child left behind that would fall under their paraprofessional requirements based on the rules. Make sure we get that. Under the -- the commission -- the -- the commission ability to support programs that are at risk and matching requirement, you said two things I heard that I wanted to clarify. One, the -- the -- it strikes me that the rule actually requires some transfer of funding from one organization to another. That wasn't what was intended.

MR. MURAKI: Well, we -- we can see it working out that way. That let's say -- This is an extreme example, but a program in year ten has -- meets 49 percent of their -- their matching requirement. They fall short of their -- of their tenth-year requirement. And then what -- you know, what choices are left?

I know there's the choice of pairing them up with another program, or let's say that's not available because an incrementally higher matching requirement puts pressure on everybody and a lot of us in the programs around, then I do think that the one -- that one -- one could be tempted to move funding from a ten-year-old program at 49 percent match to a, let's say, new program at whatever the minimum match requirement is.

MR. EISNER: I see, so you're not worried that's a part; you're worried that we would create an incentive for that to happen?

THE WITNESS: Well, it would be a requirement if part of the enforcement of grantee share would be that that program is out of compliance or somehow it -- it's less deserving or not qualified or -- that wasn't clear to us in the draft rules, what -- what the emphasis would consist of.

MR. EISNER: Okay. I get that. Back to the -- the first thing. Referring to some comments made around program design, I'm trying to figure out how to ask this as a clarifying question.

You would -- You support keeping program design at 60 percent and making sure that the rationale meets designs at least 25 percent. Would you -- Would you continue to support that even if you saw, in effect, that actually became more of a writing or a beauty contest on which proposals were better written?

THE WITNESS: I -- I think that's one of the fears of the whole selection process is that it turns so much on the ability of an applicant to write the application, but in -- in California, we have a face-to-face interview so that in our process we kind of mitigate that. When I -- I was looking at the -- I don't know what they're called -- the elements of the program design or the rationale approach subcategory in the rules, it suggested that they were very similar to the needs and service activities sections currently in the application process.

And for example, we have a number of applicants that in the need section will tell us all about the general conditions in their community, unemployment, income levels, etc., but really not include anything about their needs that they're going to meet, just the needs that are in their community, and allow programs if they are more specific about let's say their literacy program that don't have any process for -- they -- they don't identify what schools they think that their literacy program is focusing their -- their effort on. They've got no process for identifying -- identifying the students who would most benefit from that sort of thing. So those are the types of things that we look for in that section.

And -- And to us, a program that is going to be really well targeting its Americorps resources is a program that -- that we want to fund. It's very, very important. And if they're -- they're weak in that section, then really it's harder to help them in that section than it is in some of the -- in some of the other sections, so it's fundamental and I really don't -- they don't pass -- an applicant doesn't pass go unless they are very specific in their ability to identify the needs that are specifically gonna be met by the member activities.

MR. EISNER: Thank you.

MS. VAN DER VEER: Kelly Houston, you're up next.

MS. HOUSTON: Good morning, everybody. I'm Kelly Houston. I'm the director of Serve Idaho. Great to have you here as always and thank you for the process and the opportunity that we have been given to give our feedback.

And one of the beauties of going toward the end is all of the things have been said already so what I'm gonna do is just limit my comments to a couple of things that I really feel passionate about or have not really heard yet and then go over the rest.

But before I -- Before I start, I want to say thank you for listening when we asked to have a portion of the formula dollars available to -- to give planning grants without that cost averaging -- average cost per member. That -- you know, if that goes forward and we hope, you know -- and we'll be anxious to get the clarification on that, that will help, I know, a lot of the smaller states, at least in Idaho it will, because there are so few organizations in our state that have the capacity to administer Americorps programs, and if we can help them through a planning grant process in our instance or our case, that is gonna help us tremendously.

Talking about -- Looking at sustainability, we have heard this before, but you must take into consideration more than the matching dollars when we're looking at this because there are -- Stephanie indicated earlier and several others -- that the communities and states as a whole oftentimes are stretching us in so many other ways in the development of partnerships, in the creation of sustainable programs, if you will, at the local level, and in kind contributions.

All of those things need to be taken into consideration because like so many have stated before, there are limited resources out there and -- and you're -- I -- I -- I bet you're hearing this all over the country so it's probably not -- nothing new to our neck of the woods. When we're looking at the programs and who can participate, I do have a concern about, you know, the increased match that's being required, you know. Certainly, programs, you should not feel like this is a right to have a program, that they need to be able to work for and -- and invest and build support, that that paired with the

decreasing average cost per member -- what that's doing to us here is squeezing out potential subgrantees as, you know, it goes and goes and goes and I don't want to see Americorps becoming an exclusive program and not being accessible to those agencies or organizations that need the assistance the most.

In evaluation, personally, I would like to see the corporation work with the state commissions even though it increases our work to do statewide evaluations.

I don't know, David, this is pretty -- you might not agree with me, but, you know, for us, I think that it is important to provide evaluation across the board, even the small programs. But I do agree that with the amount of money that has to go into that, sometimes the -- the cost-effectiveness is -- is not there. But if something is done at the state level, those programs can be chosen as sites or pieces and parts can be looked at and evaluated more effectively.

One thing I would add to that comment is that it would be very helpful to have some dollars attached to do that. Okay, that's one piece that is new that I want to add is we do need -- do need some assistance with the financing because it is so expensive if you're going to do a good quality evaluation and I would prefer not to do evaluation at all if it has to be piecemeal and -- and not come up with any good outcomes.

And finally, in the selection of grantees or subgrantees, it talked a little bit in the rules -- proposed rules about potential exceptions being made for organizations who don't have, you know -- are -- are not gonna be able to meet the match or have other challenges in what's put forth in the application.

And the question I guess that I would have or -- or want you to think about is when would those exceptions -- acceptable things be announced? It's critical that that happen at the front end of the process. I know it can be a chicken or egg question but it needs to -- we need to have time to be able to work with potential subgrantees when we're looking at those exceptions.

And so I think that -- everything else I've -- you've heard before of what I was gonna say, and so thank you very much.

MS. VAN DER VEER: Thank you, Kelly. David, do you have any questions for Kelly?

MR. EISNER: I would just like to pose Kelly's question to David, which is Kelly asked -- wasn't sure whether David agreed that it makes sense to make all states do the evaluation process.

MR. MURAKI: I -- I didn't think that could be part of the rule. I thought this was gonna be a much more rigid rule, and I didn't think a person was gonna ask a question here. That just doesn't feel right. I didn't want to register.

I don't -- I don't know how to answer that question specifically. I mean, I think that for us, we see several purposes for an evaluation. One has to do with accountability and whether that -- that accountability for funding, another has to do with continuous improvement on the part of the program, the other has to do with conforming policy decisions and showing people here's what Americorps can do.

And I think that there needs to be an agenda for evaluation. I -- I don't think that evaluation should be the province of just specific programs seeking to recompete successfully. I think that -- I think that evaluation could be -- for a very small program could be very valuable. It's not gonna meet the -- the rigorous scientific standard formula, but an evaluation is important for small programs to -- to see how they're doing and to -- to make course corrections.

I think that the big scientifically-based evaluations are incredibly expensive and I think there needs to be a really good reason why a program is doing that. I think recompeting is -- that's okay. I -- I don't know. I -- I think the big rigorous control group types of evaluations need to be -- to answer the policy questions and that needs to be a part of the evaluation agenda at the corporation and the state commissions and the -- and the programs all have to have, kind of, clear questions that we all know are gonna be answered through evaluations and clear roles for what each of us is gonna do to make sure that those evaluations are conducted.

MR. EISNER: Kelly, let me make sure I'm not putting words in your mouth on -- on something. Sustainability needs to take more things into consideration particularly the kinds of things -- can -- can I take that to the next step and say that you're saying that what's in the current criteria around cost-effectiveness where you talk about sustainability in terms of in kind means support things does not go far enough? It needs to go further?

MS. HOUSTON: I think that that's fair to say.

MR. EISNER: Thank you.

MS. VAN DER VEER: Okay, Marti, you have the floor.

MS. JOHNSON: Thank you. I'm Marti Johnson, the executive director of Residential Resources. We have teamed up with the Cowlitz United Way to put together the Cowlitz Americorps network so we're one of the under 400,000 dollar grants. And I'm compelled just to add a little weight to some of the things that you've heard today so that you know that it's really important.

And the first one is about evaluations. Please take out the encourage language in doing evaluations for smaller programs. With this in there, the decision about whether you allo -- whether I allocate funds to do a program evaluation or whether I take those funds for a much needed member development cost becomes more of a political consideration for me about whether I'm gonna get a grant or not and I don't think that's the intent.

Two suggestions, one, perhaps the -- it -- replace encourage for the programs that are smaller that they be required to show the commission requirement to just improvement, and that can be a lot of things but it's not a scientifically-based evaluation.

Secondly, I think that there is good reason to add language that programs such as mine are to -- are required to participate in a statewide evaluation process that is offered by the commission.

Now that doesn't require commissions to do that but I should be required to participate with the commission. It's not hard for me to collect the data. It's not expensive for me to -- to add into an evaluation process.

What's expensive is to hire the talent that understands scientific research and can come up with the plan, so if the state wants to do that, my participation ought to be required.

The numbers that I could give you on evaluation being so small are not gonna help politically -- congressionally, if you will. If the state puts together a way to aggregate the small program numbers, those could have much more political impact.

On performance measures, I haven't heard this and I'm gonna be singular on this, I don't know. I understand that we're going to have a prescribed performance measure for volunteer service and I applaud that.

I would like to suggest you take it further and ask for potential performance standard measures that could be adopted or not necessarily mandated but, if you have the same things measured in tutoring, you're gonna be able to aggregate the information and use it where we're all out there running around trying to create it spending a lot of time and effort figuring how to craft them and know how to write them. If someone else did that and said here's a potential choice, then when we give you the information, it has some use. Otherwise, it's just kind of going into cyberspace.

The alignment is a little bit concerning, the word alignment under the performance measures. When you're a program like ours, we're a very small community, just lots and lots of need but not a lot of population, so our program design -- our community partners decided that we should serve in a lot of areas tutoring.

To align performance measures, first of all, it's not clear, but if it's what I think it means, which is they all sort of need to follow each other, I can't even think of the terms now, for the intermediate and -- and all that, well, we can align those for tutoring but then we're gonna have to have another one for this and another -- they're not all gonna align together.

Finally, on the additional information being considered, I heard you say something about -- or question how are we going to know if the program is truly serving in rural areas when they say they are?

That leads me to believe that additional information is gonna be used to validate what's been said in the grant. If that's the purpose of it and you say that information will be used to validate the grant, that sort of takes away the PR unification motive. Let's put it in the web site so we can look good. Let's print it in a report so we look good.

If there are ways that you can validate what we're saying but we don't get points for looking pretty, then I think you get what you want.

MS. VAN DER VEER: Thank you very much. Questions for Marti?

MR. EISNER: Thank you, this is very helpful stuff there. I -- I wish I thought to ask this question earlier when we've gotten a lot of comments today on this alignment issue. I think I've only just thought of this -- this question.

Are you saying that you -- you think that it is somehow better to -- for a program to have outcomes and intermediate outcomes -- I'm sorry, outputs and intermediate outcomes and long-term outputs that are not aligned so the outputs around, say, volunteers and intermediate outcomes around tutoring and the long-term outcomes around environment, that some of that's a satisfactory place to be?

MS. JOHNSON: I'm saying I don't see how -- and maybe this is a new process for me. I can see how aligning my volunteer outcomes with my human service outcomes makes sense.

If I have an environmental program, I can see how aligning my volunteer efforts with my environmental program makes sense. What I can't see is how I align my tutoring program with my environmental program. So that might be just --

MR. EISNER: I -- I understand your question now. I -- I think I may have missed what people were saying earlier about aligning. Thank you for clarifying.

I think the intent of the language was that it say that we would like to see alignment along the vertical path so that if you're picking one output, one intermediate outcome and one long-term outcome, you would like them to also be somehow building on each other.

What we're not saying -- we're not meaning to be saying, and if we're saying this in the rules, then I think we need to look again -- what we don't mean to be saying is that if you have an outcome in the environment, then your output on tutoring has to be aligned with it. It just -- It just means that we then also have an input -- we need to have the vertical systems but the two vertical systems don't need to be --

MS. JOHNSON: And that makes total sense. I don't think that the words in the rule quite say what you said. I'd have to read it to be --

MR. EISNER: Thank you. I'm sorry it's taken so many people saying it.

MS. VAN DER VEER: You see why we need these public hearings. Thank you very much. It's been very, very helpful and I would like to thank all of the people who have come up to the podium and for being very thoughtful in your comments. Thank you to these speakers.

Is there anyone else who would like to make a comment? Raise your hand. Okay, Steve, come on up. Anyone want to go with Steve? Well, okay, I guess Steve will be our final comment for the day.

MR. NELSON: Well, I didn't want to miss the opportunity. Thank you for coming out to The Northwest.

MS. VAN DER VEER: Please state your name and organization for Mary.

MR. NELSON: Okay. My name is Steve Nelson. I'm the director of the Montana Commission on Community Service and really most of the comments that have been mentioned here today is a concern that we have.

I do -- I just want to thank you for just initiating the entire process. I know this issue has been certainly one of those that is kind of lingering in the backgrounds of -- of Americorps Corporation and certainly been one of those issues that hasn't been very easy to talk about, kind of, let sleeping dogs lie. So this entire process I think has drafted a very interesting discussion not only, how do we say, at your level but certainly at the state level and within our own commission and has created some healthy -- some very healthy dialogue about what are we all -- what -- what is the purpose of our commissions in terms of the responsibilities in terms of funding programs. So just thanks for the -- for the effort.

I -- I -- I do think we -- as we went through this process in our commission, we came to a bit of a different place than you did, and of course, we obviously seem to be focusing on the funding part of it, 50/50 matching arrangement.

And as we inventoried and talked with our programs, I mean, it's our understanding that the 50/50 matching arrangement that we're heading towards would include not only cash but in kind services.

And -- And -- And quite frankly, that doesn't seem to create a great deal of angst. Most of our programs are taken care of, especially our programs that have been around -- are -- are capable of generating, you know, a 50 percent matching fund if they use the in kind services. And so what -- what it rewards, and this is where I don't know where we're all heading, is that it rewards agencies just being a little bit more bureaucratic and documenting all the different -- sort of rewards the bureaucratic things. I don't know if that's where you were heading with the process. It wasn't where we were heading.

What our commission talks a lot about in terms of sustainability is that we'd like to go back to those initial founding aspects where we thought were the founding rules of -- of the Americorps program, that was one, ethical members, ethical service. And two, to get things done we need to address real community problems and strengthen communities.

And so what we're wanting to do is to have a process that does those very things, and -- and it really begs the -- the evaluations. We need help on those lines. We would like to judge our programs in terms of sustainability but to -- as to whether or not they have, in fact, and do have the capacity to instill an ethical service for those members that participate in the program.

We have some capacity to do that. Certainly our smaller programs don't -- couldn't even approach doing that with the resources they have. And so we need assistance and we need some help, I think, from the corporation collectively amongst ourselves to -- to, you know, launch those sorts of evaluation efforts.

In the area of getting things done with the community, I just echo what, I guess, a number of people have said here. We, you know -- Our programs that we have in Montana are scattered across a very vast area.

Elsa talked about that with Alaska and we have the same thing. We have programs scattered from, you know, people from yack and back, as we say, and -- and those programs can range anywhere from -- projects can range anywhere from three weeks to a three-year program. And -- And they are, in fact, as we look over them, they aren't

that sustainable. They keep themselves going. They maintain themselves and we want to judge our programs and the ability to sustain those.

And a third area, probably the most -- the most -- I guess, I don't know, telling for us is just strengthening communities. We really would like to have an instrument, and we're investing some of our resources now, in terms of being able to have a tool that allows us to determine whether or not our Americorps members -- the presence in an agency or a community, in fact, strengthens, and so it's a fairly large issue and we don't -- we think we're taking some steps at it within the corporation in terms of doing it.

Those are the sorts of things that we are looking at and focusing on and I think it's -- it's, like I said before.

Another one I guess I wanted to touch on is the whole issue of -- in reference to our rural cities and the -- the lack of resources that we have available. A state like Montana is -- is much like a third world nation where we have no -- we have no large corporate presence in our -- in our state, you know, that when we did we sold it. And -- And we -- We don't have a philanthropic presence, you know. In the previous year, a study done recently, the largest ten states have an average of 26 billion dollars of philanthropic capital in the states. The smaller ten states have an average of 400 million dollars in capital in the -- in the philanthropic community. Montana has 200 million dollars of capital and so we don't have that resource available to us.

There again, you know, we -- you know -- we have some efforts that organizations do try to solicit and reach out to those corporations and those -- and the philanthropic community outside the state to, you know, encourage them to connect with smaller states like Montana and we -- we do need assistance from the corporations on so many levels to breach that gap that the philanthropic community provides, so we need to focus on that. Thanks for coming out.

MS. VAN DER VEER: Great. Thank you, Steve.

MR. EISNER: Thank you, that's -- that's very helpful stuff. I'm -- I'm interested when you say that -- you talk about the reaction within the state and the ability to do in -- in kind.

Earlier, we heard a lot of testimony around the challenges of making sustainability, pegging sustainability to the EIN number and challenges of that strategic operation and all that, forcing programs and basically intermediaries to self-manage some of the sustainability issues rather than the subgrantees.

Does Montana have a point of view on that? Is that -- Is that a challenge there, as well?

MR. NELSON: Well, I mean, I don't know if I'm -- but the intermediaries that we have under our basic programs, they, in fact -- they're the ones that have partnered with various community operators and they are the ones that seem to be able to generate at least in kind matching funds, you know, the -- the resources. Those are the people that I think that -- where it does get stretched is at the very, very local level, small, small organizations. Sometimes they don't even have the necessary supervisory resources or, you know, I mean, even the rental space or something like that available. Intermediaries seem be able to -- to collectively be able to generate that.

MR. EISNER: Thank you.

MS. VAN DER VEER: Okay, last call. Okay, seeing that, I'm gonna turn it over to David for his final comments today.

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(The meeting concluded at 11:45 a.m.)

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